

RULES CERTIFICATE

Department of Commerce

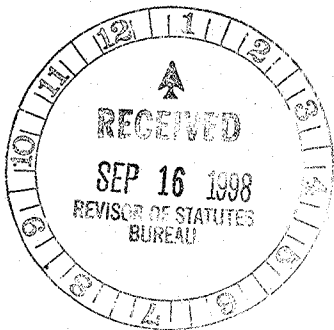
TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Philip Edw. Albert,
William J. McCoshen Deputy, Secretary of the Department of Commerce,

and custodian of the official records of said department, do hereby certify that the annexed rule(s) relating to
Rural Economic Development Program
(Subject)

were duly approved and adopted by this department.

I further certify that said copy has been compared by me with the original on file in the department and that the same is a true copy thereof, and of the whole of such original.



IN TESTIMONY WHEREOF, I have hereunto set
my hand at 201 West Washington Avenue
in the city of Madison, this 25th
day of August A.D. 19 98

Philip Edw. Albert
Deputy Secretary

ORDER OF ADOPTION

Department of Commerce

Pursuant to authority vested in the Department of Commerce by section(s) 560.02 (4)

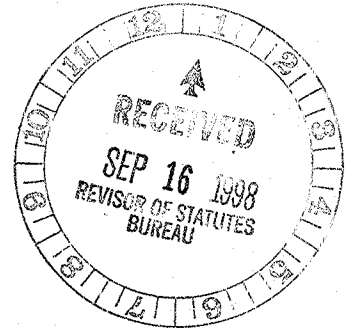
_____ Stats., the Department of Commerce creates; amends;

repeals and recreates; repeals and adopts rules of Wisconsin Administrative Code chapter(s):

Comm 116 Rural Economic Development Program
(number) (Title)

The attached rules shall take effect on The first day of the month following publication in the Wisconsin

Administrative Register pursuant to section 227.22, Stats.



Adopted at Madison, Wisconsin this

date: August 25, 1998

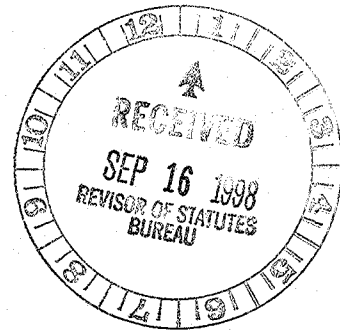
DEPARTMENT OF COMMERCE

William K. Albrecht
Deputy Secretary



State of Wisconsin \ Department of Commerce

RULES in FINAL DRAFT FORM



Rule No.: Comm 116

Relating to: Rural Economic Development Program

Clearinghouse Rule No.: 98-063

Pursuant to the authority vested in the Department of Commerce by ss. 560.02 (4) and 227.11 (2), Stats., the Department of Commerce hereby proposes an order to repeal Comm 116.04 (3); to amend Comm 116.03 (1) to (3) and 116.06 to 116.09; to repeal and recreate Comm 116.02 (4), 116.04 (1) and (2) and 116.05 (2) and (3); and to create Comm 116.02 (1m), (2m), (3h) and (3m), 116.037 and 116.05 (4) and (5), relating to the rural economic development program.

SECTION 1. Comm 116.02 (1m) is created to read:

(1m) "Brownfields" has the meaning given in s. 560.60 (1v), Stats.

SECTION 2. Comm 116.02 (2m) is created to read:

(2m) "Dairy farm" has the meaning given in s. 97.22 (1) (a), Stats.

SECTION 3. Comm 116.02 (3h) and (3m) are created to read:

(3h) "Financing is unavailable from any other source on reasonably equivalent terms" means the maturity, rate or the amount of available financing or requirements related to the financing, such as collateral, equity, closing costs, service charges and repayment schedules offered on such financing are materially different from the financing available from the rural economic development program.

(3m) "Job" has the meaning given in s. 560.60 (10), Stats.

SECTION 4. Comm 116.02 (4) is repealed and recreated to read:

(4) "Management assistance" has the meaning given in s. 560.20 (1) (cf).

SECTION 5. Comm 116.03 (1) to (4) are amended to read:

COMM 116.03 GRANTS FOR PROFESSIONAL SERVICES. (1) Rural economic development grants ~~and loans~~ made under this section may be for up to ~~\$30,000~~ \$15,000. A cash ~~or in kind match, from a source other than the state, of equal to~~ not less than 25% of the funds received eligible project cost is required.

(2) To be eligible to apply for funding under this ~~chapter~~ section, a business, together with any affiliate, subsidiary or parent entity shall have fewer than ~~25~~ 50 employees, shall be located in a rural municipality and shall be in the process of starting or expanding operations.

(3) The proceeds of a grant ~~or loan~~ made under this section may be used only for professional services related to the startup or expansion of ~~the~~ a business ~~which has made application~~ or for management assistance required for the continued operation of ~~that~~ a business and only in accordance with the terms of the contract required under s. Comm 116.06.

(4) The terms and conditions of each grant ~~and loan~~ made under this section, ~~including repayment terms~~, shall be determined by the board after considering the circumstances of the business for which application has been made.

SECTION 6. Comm 116.035 (intro.), (1), (2) and (3) are amended to read:

116.035 (intro) LOANS AND GRANTS FOR WORKING CAPITAL, EMPLOYEE RELOCATION COSTS OR FIXED ASSET FINANCING. (1) Loans and grants made under this section may be for up to ~~\$25,000~~ \$100,000. A cash ~~or in kind~~ match, from a source other than the state, of not less than ~~50%~~ 25% of the ~~funds received~~ eligible project cost is required.

(2) To be eligible to apply for funding under this section, a business shall meet the requirements of s. Comm. 116.03 (2), ~~shall have received funding under s. Comm 116.03, with the proceeds of such funding~~ shall have successfully demonstrated the feasibility of the business, and shall not be able to obtain financing from any other source on reasonably equivalent terms.

(3) The proceeds of a loan or grant made under this section may be used only for working capital, employe relocation costs or fixed asset financing related to the start up or expansion of the business for which application has been made and only in accordance with the terms of the contract required under s. Comm 116.06.

SECTION 7. Comm 116.037 is created to read:

116.037 (title) GRANTS FOR DAIRY FARM OR OTHER AGRICULTURAL BUSINESS PROJECTS. (1). Grants made under this section may be made for dairy farm or other agricultural business projects. A cash match, from a source other than the state, of not less than 25 percent of the eligible project cost is required.

(2) The proceeds of a grant made under this section may be used only for professional services related to the start-up, modernization or expansion of the dairy farm or other agricultural business; or for management assistance, as defined in s. 560.20 (1) (cf), continuing after the completion of the start-up, modernization or expansion of the dairy farm or other agricultural business; and only in accordance with the terms of the contract required under s. Comm 116.06.

(3) The terms and conditions of each grant made under this section shall be determined by the board after considering the circumstances of the business for which application has been made.

SECTION 8. Comm 116.04 (1) and (2) are repealed and recreated to read:

(1) A business which is eligible for funding according to s. Comm 116.03, 116.035 or 116.037, may make application to the department at any time.

(2) The department shall prepare an application manual which it may update as needed. The manual shall contain the application procedures, requirements and instructions for funding under this chapter.

NOTE: Written instructions for applications may be obtained at no charge from the Department of Commerce, Bureau of Business Finance, P. O. Box 7970, Madison, Wisconsin 53707, telephone 608/266-1018.

SECTION 9. Comm 116.04 (3) is repealed.

SECTION 10. Comm 116.05 (2) and (3) are repealed and recreated to read:

(2) Before awarding a grant under s. Comm 116.03, the board shall consider each of the items in s. 560.17 (4), Stats.

(3) Before awarding a loan or grant under s. Comm 116.035, the board shall consider each of the items in s. 560.17 (4), Stats.

SECTION 11. Comm 116.05 (4) and (5) are created to read:

(4) Before awarding a grant under s. Comm 116.037, the board shall make the determinations in s. 560.17 (5c) (a).

(5) The board shall give priority to grants and loans under this chapter for projects related to brownfields development.

SECTION 12. Comm 116.06, 116.07, 116.08, and 116.09 are amended to read:

116.06 CONTRACTS. Successful applicants shall be required to enter into a contract with the department for the purposes of implementing the proposed grant or loan. ~~The contracts contract shall be signed by the secretary of the department and the chief executive officer of the successful applicant, or by their authorized representatives person or persons authorized by the applicant to enter into a contract. The contract shall contain default provisions relating to nonperformance of the provisions of the contract. The department may void a contract and seek a return of any funds released under the contract for failure by the business to perform its obligations under the contract.~~ Amendments to these contracts may be adopted by the written consent of both parties.

116.07 REPORTING. Each successful applicant will be required to provide the department periodic ~~financial reimbursement documentation~~ and program reports. ~~The financial reimbursement documentation and program reports shall be submitted to the department by a date specified in the contract. The financial reimbursement documentation and program reports become the property of the department and are open to public inspection.~~

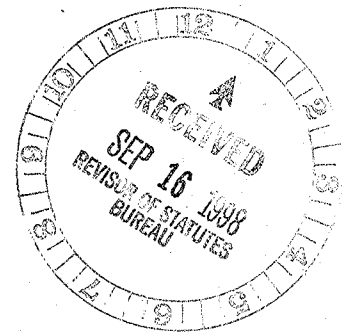
116.08 ADMINISTRATION. The department shall ~~be responsible for soliciting~~ solicit applications, ~~reviewing~~ review applications, ~~making~~ make recommendations to the board on the disposition of ~~grants~~ grant and loan applications, ~~enter into contracts with successful applicants,~~ ~~authorizing~~ authorize payments and otherwise ~~implementing~~ implement contractual obligations entailed in grants or loans made under the terms of this chapter, ~~monitoring~~ monitor project activities, ~~receiving~~ receive and ~~reviewing~~ review the ~~financial reports~~ reimbursement

documentation and program reports submitted under s. Comm 116.07, and ~~for collecting~~ collect any repayments of grants and loans from successful applicants.

116.09 BOARD OPERATIONS. The board shall consider the recommendations of the department relating to grants and loans. The board shall approve an application before the department can enter into a contract for a grant or loan. The department shall maintain records of the board's proceedings and provide ~~other~~ staff support as may be necessary to the board.

(THE END)

Pursuant to s. 227.22 (2) (Intro). Stats, these rules shall take effect on the first day of the month following publication in the Wisconsin Administrative Register.



August 25, 1998

Gary Poulson
Assistant Revisor of Statutes
Suite 800
131 West Wilson Street
Madison, Wisconsin 53703-3233

Douglas LaFollette
Secretary of State
10th Floor
30 West Mifflin Street
Madison, Wisconsin 53703

Dear Messrs. Poulson and LaFollette:

TRANSMITTAL OF RULE ADOPTION

CLEARINGHOUSE RULE NO.: 98-063

RULE NO.: Comm 116

RELATING TO: Rural Economic Development Program


Pursuant to section 227.20, Stats., agencies are required to file a certified copy of every rule adopted by the agency with the offices of the Secretary of State and the Revisor of Statutes.

At this time, the following material is being submitted to you:

1. Order of Adoption.
2. Rules Certificate Form.
3. Rules in Final Draft Form.

Pursuant to section 227.114, Stats., a summary of the final regulatory flexibility analysis is also included.

Respectfully submitted,


William J. McCoshen
Secretary

